MEMORANDUM

TO: Agency Commissioners

FROM: Fred Blackwell
Executive Director

SUBJECT: Adopting a resolution urging the California High-Speed Rail Authority to accept the Transbay Transit Center as the San Francisco station for the high-speed rail system and to reject alternative locations as infeasible and inconsistent with state and local law; Transbay Redevelopment Project Area

EXECUTIVE SUMMARY

The California High-Speed Rail Authority (CHSRA) is currently conducting an Alternatives Analysis in preparation for work on an Environmental Impact Statement/Environmental Impact Report (EIS/EIR) for the High-Speed Rail (HSR) Project. Agency staff and staff from the Transbay Joint Powers Authority (TJPA) and other City agencies has reviewed a copy of the CHSRA’s Draft Preliminary Alternatives Discussion document and attended meetings of the Technical Working Group on the HSR Project. Included among the alternatives currently being analyzed by the CHSRA are proposals to locate the San Francisco terminus of the HSR system at a separate location from the Transbay Transit Center. These proposals are legally, technically and financially infeasible and the CHSRA has enough information to determine that they should not be advanced for further study in the alternatives analysis process. The Transbay Transit Center has been the accepted location of the San Francisco station for the HSR system since at least 1999, including in the CHSRA’s own documents, and has been fully analyzed by the TJPA. The Transbay Redevelopment Project Area (“Project Area”), adopted in 2005, is based on the Transbay Transit Center as the San Francisco station for the HSR system and the proposals being analyzed by the CHSRA for alternative locations would severely impact the ability of the Project Area to generate the land sale and tax increment revenue that has been pledged to the Transit Center. Even more importantly, analyzing alternative locations at this time creates uncertainty that could jeopardize the TJPA’s application for $400 million in federal stimulus funding for the Transbay Transit Center Project. The Transbay Citizens Advisory Committee (“CAC”) voted unanimously to oppose an alternative location for the San Francisco station of the HSR system at its October 8, 2009, meeting.

Staff recommends that the Commission adopt a resolution urging the California High-Speed Rail Authority to accept the Transbay Transit Center as the San Francisco station for the high-speed rail system and to reject alternative locations as infeasible and inconsistent with state and local law.

BACKGROUND

Transbay Transit Center/HSR Project Status

The Transbay Transit Center Project includes both an above-ground bus facility and a below-ground rail station that will be built to accommodate HSR trains and Peninsula Corridor (Caltrain) rail service. The TJPA is responsible for the planning, design, operation and
management of the Transbay Transit Center Project and is the lead agency for California Environmental Quality Act (CEQA) review. The current design for the Transbay Transit Center was selected by the TJPA after extensive environmental review and analysis of several alternatives in the Transbay Final Environmental Impact Statement/Environmental Impact Report (Transbay FEIS/EIR), which was certified in April 2004. The project description in the Transbay FEIS/EIR included an underground station that would serve as the northern California terminus for the HSR system and the design of the station was modified based on HSR criteria.

Several state and local laws require that the San Francisco station of the HSR system must be located at the Transbay Transit Center. Proposition H, approved by the voters of San Francisco in 1999, requires that “a new or rebuilt terminal shall be constructed on the site of the Transbay Transit Terminal serving . . . high-speed rail.” In November 2008, the voters of California approved Proposition 1A, which states: “It is the intent of the Legislature by enacting this chapter and of the people of California by approving [Proposition 1A] to initiate the construction of a high-speed train system that connects the San Francisco Transbay Terminal to Los Angeles Union Station and Anaheim.”

The Redevelopment Plan for the Project Area is based on the location of the Transbay Transit Center at First and Mission Streets. Surrounding this site, the Agency has rezoned former freeway parcels for high-density residential and commercial development that will help fund the cost of constructing the new Transit Center. The TJPA is currently constructing the Temporary Terminal, which was approved by the Commission in November 2007, on former freeway parcels between Main and Beale Street. After the first phase of the new Transbay Transit Center is completed in 2014, this land will be available for development.

Although the CHSRA began its current environmental review process after the passage of Proposition 1A by the voters in November 2008, the environmental analysis of the high-speed rail system has been under way for several years. In addition to providing input and criteria that were used in the Transbay FEIS/EIR, the CHSRA published a Final Program EIS/EIR for the California High-Speed Train System in 2005 and a Bay Area to Central Valley High Speed Train Final Program EIR/EIS (“Bay Area FEIR/EIS”) in 2008, both of which selected the Transbay Transit Center as the station location for the San Francisco HSR terminus. In both documents, the CHSRA described the current 6-track, 3-platform configuration of the Transbay Transit Center and noted that four tracks and two platforms would be necessary to accommodate HSR, which is the current plan for the Transbay Transit Center.

However, it appears that the CHSRA is now considering other alternatives that were previously rejected. Agency staff received a copy of the Draft Preliminary Alternatives Discussion document prepared by the CHSRA and attended a Technical Working Group meeting on September 30, 2009. The document proposes an alternative that would eliminate the HSR train station immediately underneath the Transbay Transit Center and would instead locate it between Main and Beale Streets extending down to Harrison Street. This appears to be the same proposal submitted to the CHSRA by Don Solem, President of Solem & Associates, a public relations firm, in a June 11, 2009 letter, which included concept drawings of the “Beale Street Proposal” prepared by the Gensler firm (see Attachment). The Draft Preliminary Alternatives Discussion document also proposes an alternative that would locate the San Francisco station for the HSR system on the site of the existing Caltrain station at Fourth and King Streets (“Fourth & King Proposal”), roughly a mile from the Transbay Transit Center.
The CHSRA intends to complete its preliminary analysis of these alternatives in December 2009 and proceed with a final list of alternatives for the EIS/EIR for the HSR system.

**High-Speed Rail Capacity of the Transbay Transit Center**

According to the June 11, 2009, letter from Solem & Associates, their primary reason for advocating the Beale Street Proposal is that the Transbay Transit Center does not have enough capacity to accommodate the demand for HSR service. But the Transbay Transit Center does contain sufficient capacity to accommodate HSR. In the 2008 Bay Area FEIR/EIS, the CHSRA stated that its “operational analysis indicate[s] that to serve all of the HSR trains proposed in the Authority’s operational plan, four tracks and two island platforms would have to be dedicated to HSR service.” As noted above, this is the current plan for the Transbay Transit Center.

To the extent that there are design and capacity issues with the Transbay Transit Center, the TJPA is working closely with the CHSRA to resolve them. In March 2009, the TJPA and the CHSRA signed a Memorandum of Agreement to resolve design issues for “establishing the Transbay Transit Center as a terminus station for the high-speed rail system.” Additional operational and emergency capacity for HSR can be accommodated at an upgraded Fourth & King station, which is the current plan for the Transbay Transit Center Project. A June 2009 report entitled, *California High-Speed Rail: San Francisco/Silicon Valley Corridor Investment Strategy*, prepared by the TJPA, Caltrain and others in association with the CHSRA, stated: “The technical group recommends proceeding with the current Transbay Transit Center design providing two high-speed rail platforms and one Caltrain platform; the Fourth & King site will be upgraded to support the operational and contingency requirements of the Caltrain and high-speed rail services across a range of operating scenarios.” The report further stated that “when the nearly 800-mile California high-speed rail system is completed, the Transbay Transit Center will accommodate the majority of demand for high-speed rail service to San Francisco, with additional demand accommodated, as needed, at an improved Fourth/King facility.”

**DISCUSSION**

The alternative locations for the San Francisco station of the HSR system proposed in the Draft Preliminary Alternatives Discussion document prepared by the CHSRA are legally, technically and financially infeasible. The CHSRA has enough information based on the Transbay FEIS/EIR and subsequent analysis done by the TJPA and Agency staff to reject these alternatives and proceed without them. Agency staff, the TJPA and other City agencies have sent correspondence to the CHSRA identifying the fatal flaws in these two alternatives. Agency staff sent a letter on August 31, 2009, and another letter co-signed by the Executive Directors of the Agency, the San Francisco Planning Department and the San Francisco Municipal Transportation Agency on November 10, 2009. The TJPA sent letters on August 21, 2009, and October 30, 2009. The contents of these letters, and the alternative locations proposed by the CHSRA, are summarized below.

**Beale Street Proposal**

The Beale Street Proposal, as shown in the CHSRA’s Draft Preliminary Alternatives Discussion, and as described in more detail in the concept drawings prepared by the Gensler firm, would create an underground terminal southeast of the Transbay Transit Center, occupying separate
parcels between Main and Beale Streets and extending more than two blocks south to Harrison Street (see Attachment). The Beale Street Proposal would provide six rail tracks in Phase I and expand to 12 tracks in Phase II.

The analysis by the TJPA, Agency staff and other City agencies has identified the following “fatal flaws” with the Beale Street Proposal:

1. **The Beale Street Proposal is not legally permissible.**

   Proposition H, approved by San Francisco voters in 1999, and Proposition 1A, approved by California voters in November 2008, both identify the Transbay Transit Center as the San Francisco station for the HSR system. In addition, in 2001, the San Francisco Board of Supervisors unanimously passed Resolution 104-01 supporting the extension of Caltrain to the Transit Center to serve high-speed rail. Similarly, the California Public Resources Code Section 5027.1 provides that “the Transbay Joint Powers Authority shall have primary jurisdiction with respect to all matters concerning the financing, design, development, construction and operation of the new terminal.” In March 2004, the voters approved Regional Measure 2, authorizing an increase in Bay Bridge tolls to fund a “new Transbay Terminal in San Francisco, connecting [regional transit with] future high-speed rail . . .,” and specifying that the new terminal must be located on the site of the existing Transbay Terminal at “First and Mission Streets in San Francisco.”

   During the mid-1990s, there were proposals to locate the new Transbay Transit Center between Main and Beale Streets, in roughly the same location as the Beale Street Proposal. However, these proposals were rejected as infeasible for a variety of reasons and ultimately the issue was put to rest by the passage of Proposition H in 1999.

2. **The Beale Street Proposal is technically and financially infeasible.**

   The TJPA’s program management team for the Transit Center and the Downtown Rail Extension, who are experts in the underground tunneling and HSR stations, have conducted a technical review of the Beale Street Proposal and concluded that it is technically infeasible. The tunnel to the Beale Street Proposal station would travel underneath the existing residential neighborhoods in Rincon Hill and South Beach and adjacent to the supports for the Bay Bridge. According to the TJPA’s engineers, the proposed station approach provides insufficient distance for the transition of 12 tracks to enter a single tunnel, requiring a wider tunnel that would interfere with the Bay Bridge anchorage. A similar analysis was done as far back as 1997 when Caltrain rejected a proposal to build a new rail station at Market and Beale Streets as part of the Caltrain Downtown Extension EIS/EIR. Caltrain concluded that the extension was infeasible due to impacts to “areas of extensive residential development” and because of the “potential for adverse impacts on the Bay Bridge anchorage.” The Transbay FEIS/EIR reached a similar conclusion in 2004, rejecting a rail extension along Beale Street because “alignments along Beale Street leading from The Embarcadero would pass near the Bay Bridge anchorage, raising issues regarding the effects of cut-and-cover construction on this major structure.”

   Even if these technical issues could be resolved, the TJPA’s engineers estimate that the Beale Street Proposal would cost approximately $7.5 billion, or $4 billion more than the comparable costs for the approved Transbay Transit Center.
Agency staff has also analyzed the Beale Street proposal and concluded that it would be both technically and financially infeasible. The proposal appears to require the acquisition and demolition of a large parcel south of Folsom Street that is currently owned by the federal government. The southern half of this property is a major postal facility and the northern half is a surface parking lot that is entitled for a major residential development. No portion of the property is currently for sale and neither the City nor the Agency can acquire federal property through eminent domain (the TJPA does not have eminent domain authority). The proposal also appears to require the acquisition and demolition of 201 Harrison Street, a residential condominium development completed in 1991 with 287 units. Such an acquisition and demolition would be unprecedented in recent history.

Finally, the area north of Folsom Street that is required for the Beale Street Proposal has been rezoned for high-density residential and commercial development under the Redevelopment Plan. A total of more than 650 housing units and 700,000 square feet of commercial space could be built on the site after the first phase of the Transbay Transit Center is completed in 2014. Based on a 2007 market analysis, the area north of Folsom Street has an estimated land value of approximately $116 million and would generate net tax increment in excess of $6.5 million per year when completed, all of which would be used to help pay the cost of the new Transbay Transit Center Project. The Beale Street Proposal includes some “Possible Development Ideas” such as residential towers and a 20,000-seat arena. It is impossible to estimate the value of these very conceptual development ideas. However, it is clear that this development would be significantly hindered by the presence of the 12-track rail station directly below. In addition, compared to the approved design for the Transbay Transit Center, the Beale Street Proposal would require more land for construction for a longer period of time, thus delaying the receipt of both land sale and tax increment revenue by several years.

Fourth & King Proposal

The Fourth & King Proposal, as shown in the CHSRA’s Draft Preliminary Alternatives Discussion, would create a new HSR terminal on the site of the existing Caltrain station at Fourth and King Streets. Under this scenario, Caltrain service to San Francisco would continue from the Fourth & King Streets station to the downtown Transbay Transit Center via Caltrain service, but HSR service would terminate at the Fourth & King Streets station, roughly a mile from the Transit Center. An analysis by the TJPA has identified the following “fatal flaws” with the Fourth & King Proposal:

1. The Fourth & King Proposal is not legally permissible.

As with the Beale Street Proposal, various state and local laws require the San Francisco station for the HSR system to be located at the Transbay Transit Center.

2. The Fourth & King Proposal is technically and financially infeasible.

The TJPA’s program management team for the Transit Center and the Downtown Rail Extension has analyzed the Fourth & King Proposal and concluded that it is technically infeasible. The Interstate 280 Sixth Street off-ramps that cross the site would need to be appropriately supported during construction, but it is impossible to do so and simultaneously squeeze the permanent rail alignment and structure between the existing I-280 bridge foundations and their temporary support. Therefore, demolition of the I-280 ramps would likely be required. In addition, the proposal would require the demolition of 70 to 90 residential units adjacent to the existing
Caltrain station. Even if all of these issues could be resolved, the TJPA’s engineer’s estimate that the Fourth & King Proposal would cost roughly $2.9 billion more than locating HSR in the Transbay Transit Center.

3. The Fourth & King Proposal does not meet the CHSRA’s objectives.

Because the Fourth & King Proposal would locate the San Francisco station for the HSR system outside of the Downtown Financial District and away from the Transbay Transit Center, it would not achieve the same connectivity and accessibility as the Transit Center and would not maximize ridership levels. While the Transit Center will offer direct connections to a wide range of regional transit systems, the Fourth & King Streets station would have only limited connections to Muni and no connection to other transit services (except Caltrain). Also, because the vast majority of passengers using the HSR system wish to depart or arrive from Downtown San Francisco, the Transit Center would maximize ridership and revenue from HSR. The CHSRA’s own 2008 Bay Area FEIR/EIS indicates that the First and Mission Streets location of the Transit Center would generate an additional one million passengers per year and $19 million per year in revenue, compared with the Fourth & King Proposal.

California Environmental Quality Act

Commission adoption of the Resolution would not independently result in a physical change in the environment, and is exempt from the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Section 15061(b)(3).

CONCLUSION

TJPA Application for Federal Stimulus Funding

In addition to being legally, technically and financially infeasible, the proposals to locate the San Francisco terminus of the HSR system at a separate location from the Transbay Transit Center could jeopardize the TJPA’s application for $400 million in federal stimulus funding for the Transbay Transit Center Project. The Federal Railroad Administration (FRA) intends to make grant awards this winter out of its stimulus fund for high-speed rail projects throughout the United States. FRA grant guidelines place a great deal of emphasis on the certainty of project-related approvals. The Transbay Transit Center Project has been approved at every level. However, by analyzing previously rejected alternatives at this time, the CHSRA is creating uncertainty that could undermine the TJPA’s application for grant funding. Instead of analyzing alternatives that are clearly infeasible, the CHSRA should be working with the TJPA in order to secure much needed funding for vital regional transportation improvements.

CHSRA CEQA Requirements

The CHSRA has not responded to the correspondence sent by Agency staff, the TJPA and other City agencies. However, the CHSRA’s environmental and engineering consultants have met with Agency staff and explained that the CHSRA staff believes that CEQA requires that they analyze alternatives to the “preferred” project, including any alternatives offered by the public such as the Beale Street Proposal. However, the project being analyzed in this case is the San Francisco to San Jose segment of the HSR Project. The Transbay Transit Center is only one component of the overall San Francisco to San Jose project. The CHSRA does not need to consider alternatives to the Transbay Transit Center – it only needs to consider alternatives to the
project as a whole. Furthermore, CEQA only requires that an EIR must consider a reasonable range of “potentially feasible alternatives” that would attain most of the project objectives and would substantially lessen the project’s significant environmental impacts. The alternative locations for the San Francisco terminus of the HSR system currently being analyzed by the CHSRA are infeasible and would create greater significant environmental impacts than the approved Transbay Transit Center Project. Therefore, the CHSRA should accept the Transbay Transit Center as the San Francisco station for the HSR system and reject alternative locations.

Originated by Michael J. Grisso, Senior Project Manager

Fred Blackwell
Executive Director

Attachment: Beale Street Wing Proposal (excerpts)
High-Speed Rail
San Francisco
Phase I (6 tracks)
Phase II (expand to 12 tracks)

BEALE STREET WING
1300 ft. platform length

Single main entry
Strategic location for East Bay connection

Pedestrian link to existing BART / MUNI station

Existing Caltrain station

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Pedestrian link to existing BART / MUNI station

Single main entry

**BEALE STREET WING**
- Room for 12 tracks/platforms
- Adequate platform length (1300 ft)
- Phase I (6 tracks)
- Phase II (expand to 12 tracks)

Strategic location for East Bay connection

Rincon Hill tunnel route

Embarcadero tunnel route